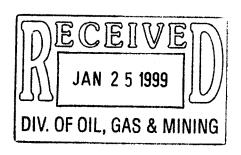
January 22, 1999

Mr. Tony Gallegos State of Utah Department of Natural Resources 1594 West North Temple, Suite 1210 Box 145801 Salt Lake City, Utah 84114-5801

Ref: M/001/039 -- The OK Mine



Dear Tony:

For the purposes of bonding, Nevada Star Resources hereby formally requests to stage the Phase 1 disturbance into 2 separate phases, P1A and P2A. P1A will account for 55 acres or 43% of the total Phase 1 acreage of 127.83 acres. P1A will consist of a 1,000,000 square foot of heap leach pad, plant, topsoil stockpile and access road to the topsoil stockpile.

The draft reclamation estimate, \$293,000, for the purpose of bonding dated 12/22/1998 is fair and acceptable to Nevada Star. The resulting amount \$293,000 represents 53% of the total Phase 1 amount while only 43% of the Phase 1 acres are involved.

Attached is the original reclamation map which clearly shows the 127.83 acre disturbance and the outlines of P1A and P1B. An existing road will separate the pad into P1A and P1B.

If you have any further questions, please contact me at 435-867-0557.

Nevada Star Resource Corp.

Rick Havenstrite

